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12 UNITED STATES DISTRICT COURT

13 DISTRICT OF NEVADA

14 WMS GAMING, INC.,

15 No.: CV-S04-0027-RLH-LRL

16 Plaintiff,

17 vs.

18 **DEFENDANT SIGMA GAME, INC.'S**
19 **OPPOSITION TO PLAINTIFF'S**
20 **MOTION FOR A PRELIMINARY**
21 **INJUNCTION**

22 SIGMA GAME, INC.,

23 Defendant.

24 _____ /
25 Sigma Game, Inc. ("Sigma"), by and through its attorneys, the law firm of Gordon &
26 Silver, Ltd., hereby opposes Plaintiff WMS Gaming, Inc.'s ("WMS") Motion for a Preliminary
27 Injunction ("Motion"). This Opposition is made and based on the points and authorities which
28 follow, the Declaration of James Jackson attached hereto as exhibit "A" ("Jackson Dec."), the
Declaration of James Murphy attached hereto as Exhibit "B" ("Murphy Dec."), the Declaration
of Charles Kenneth Laird attached hereto as Exhibit "C" ("Laird Dec."), the Declarations of
David Kraft, John O'Donovan, Brent Lang, Dustin Fasbender and Michael Eide, filed
contemporaneously herewith, and the arguments of counsel at the hearing of this matter.

...

1 **I. INTRODUCTION**

2 By way of its Motion, WMS, although having the burden, seeks to restrain a significant part
3 of Sigma's business, based on a patent that issued in November 2003: United States Patent No.
4 6,645,074 (the "'074 Patent"). Plaintiff's Motion should be denied as the validity of the '074 Patent
5 is disputed by Sigma for several reasons, including the following: (1) the '074 Patent is invalid
6 because prior art anticipates the claims that WMS asserts are being infringed by Sigma; (2) the '074
7 Patent is invalid because Claims 8, 9 and 10 of the '074 Patent will likely be invalidated due to
8 obviousness; and (3) the '074 patent is invalid because of WMS' violation of its duty of candor
9 toward the United States Patent Office by its omissions or failure to disclose known prior art which
10 was no different than the claimed WMS invention.
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12 **II. FACTUAL BACKGROUND**

13 The '074 Patent issued November 11, 2003. WMS filed its Complaint and
14 Motion for Preliminary Injunction on January 12, 2004, and both were served on January 13,
15 2004. Sigma develops and markets gaming devices for use primarily in North America but have
16 also sold games internationally. Sigma is a privately held gaming device manufacturer and
17 developer and has been in business since 1984. As one of the few, if not the only, privately held
18 gaming manufacturers competing in the marketplace today, Sigma is relatively a small entity
19 compared to WMS producing revenues roughly equal to 10%-15% of that of WMS.)Jackson
20 Dec. ¶ 3).

21 Because of Sigma's size and lack of capital, Sigma has concentrated its sales and game
22 development efforts to proprietary and branded game themes aimed at major casino operators
23 and/or major markets such as Harrah's, Caesars Entertainment and Turning Stone Casino. While
24 most Sigma products are sold directly to casinos, Sigma operates on a revenue-share or lease
25 basis approximately 70 devices. (Jackson Dec. ¶ 4).
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1 Among the various games developed by Sigma are "The Game of Life," "Easy Riches,"
2 "Where's Henry," "Through the Dough" and "PBR," (collectively the "Bonus Games").
3 (Jackson Dec. ¶ 5).

4 In or about September, 2003, WMS contacted Sigma about the existence of the claims of
5 that certain patent, United States Patent No. 6,645,074 (the "'074 Patent"), which WMS at the
6 time anticipated being awarded by the United States Patent and Trademark Office ("PTO").
7 WMS expressed an interest in licensing certain rights to the patent but nothing specific was
8 proposed. (Jackson Dec. ¶ 6).

9 Sigma was surprised by the issuance of this patent because Sigma believed that the
10 "reveal" feature was a requirement by at least one if not more gaming jurisdictions. Because of
11 the litigation, Sigma believes New Jersey (a jurisdiction which requires a "reveal" feature) and
12 Nevada will allow us to display the information on non-revealed amounts as part of the Help
13 Screen function. (Jackson Dec. ¶ 7). Because of limited engineering and financial resources,
14 enjoining Sigma's operation of its Bonus Games will greatly harm Sigma's business operations
15 in developing new Bonus Games and will harm its business relationships with the various
16 gaming properties that utilize the Bonus Games. (Jackson Dec. ¶ 8).

17 Sigma will be harmed in a number of ways including the hard cost of submitting for
18 approval the modified software, the possible delay and/or cancellation of any pending sales as we
19 await these approvals, the opportunity cost of utilizing very limited engineering resources to
20 make these modifications as opposed to creating new games, the likelihood that games currently
21 on revenue-share or lease will be returned if we are forced to shut them off until replacement
22 software is installed and the negative reaction from casino customers should they be forced to
23 modify software on their casino floors. (Jackson Dec. ¶ 9). Sigma is informed and believes that
24 some of its customers that have expressed concerns about the '074 Patent which may have
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1 contributed to Sigma's lack of sales since the commencement of this litigation by WMS.
2 (Jackson Dec. ¶ 10).

3 The Poker Plus Game

4 In approximately 1994, Bally Gaming, Inc. offered a game called Multi-Level Poker (also
5 known as Bonus 2000) on its V5500 platform, and in approximately 1995, Bally Gaming, Inc.
6 implemented Multi-Level Poker on its V7000 platform and named it Poker Plus. (Hein Dec. ¶
7 3).¹ The Poker Plus basic game is a five-card video poker game. A player inserts coins or plays
8 credit and the PP basic game begins. In the basic game a five-card hand of draw poker is dealt.
9 (Hein Dec. ¶¶ 4-5). If a four-of-a-kind is dealt or the player draws into a four-of-a-kind, the
10 player is awarded 125 credits for achieving four-of-a-kind in the base game and the player is
11 eligible for the bonus round. (Hein Dec. ¶ 6). The final hand from the base game is displayed in
12 the bonus round, turned face-down, and shuffled. (Hein Dec. ¶ 7). The player is asked to find
13 one suit of the four-of-a-kind. For example, if four deuces were achieved in the base game, the
14 player may be asked to select the deuce of spades. (Hein Dec. ¶ 8). If the player correctly selects
15 the deuce of spades, it is displayed to the player and the 125 credits are doubled to 250 credits.
16 The player is then asked to find another suit of the deuces. Each correct choice results in
17 revealing the selected card and doubling the credits. (Hein Dec. ¶ 9). If, at any time, the player
18 fails to select the correct suit of the four-of-a-kind, all the cards are displayed to the player to
19 indicate the position of all the cards, and the bonus round ends. (Hein Dec. ¶ 10). Once the
20 bonus game reveals the remaining unselected cards, the screen transitions back to a display of the
21 original hand of the basic game showing the four-of-a-kind as the hand appeared prior to
22 triggering the bonus game. (Hein Dec. ¶ 11).

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¹ Declaration of Marvin Hein filed contemporaneously with this Opposition and referred to hereafter as "Hein Dec."

1 The Great Whites Game

2 In 1995, or possibly as early as 1994, VLC (later known as Power House Technologies,
3 then as Anchor Gaming, and now known as IGT) (hereafter collectively referred to as "VLC"),
4 began development of a game called Great Whites (hereafter "GW"). The game operated as
5 described below from its initial development and release. Except for minor improvements to
6 graphics, the operation of GW did not change at any time. This includes the operation of the
7 Mystery Bonus game, a bonus game which reveals the bonus amounts associated with a sea shell
8 selected by the player from several shells, and then subsequently, reveals the bonus amounts
9 associated with the unselected shells. (Kraft Dec. ¶¶ 1 & 5).²

11 A player can select GW to play from a choice of games on a VLC Winning Touch multi-
12 game touchscreen machine. Once a player selects GW for play, a basic game begins. The basic
13 game is a video slot machine depicting five reels. During play, certain symbols, shells, may appear
14 in combination, one shell on each reel in any position, triggering a Mystery Bonus game. (Kraft
15 Dec. ¶ 6). The player is prompted to choose a shell to reveal an award. Once the player chooses a
16 shell, the bonus amount awarded with the shell is revealed. The bonus amount associated with the
17 selected shell indicates that the award is given to the player. The bonus amounts associated with
18 the remaining unselected shells are also, subsequently, revealed to the player. (Kraft Dec. ¶ 7).
19 VLC did not patent this reveal feature within GW because according to Mr. Kraft the decision to
20 reveal the prizes hidden beneath the unselected shells seemed obvious. (Kraft Dec. ¶ 8):

23 During this time frame, VLC routinely displayed its games across the United States,
24 including Las Vegas. (Kraft Dec. ¶ 10). Winning Touch Multi-Game Touchscreen Machines
25 including GW, were approved for sale to Nevada casinos on or around April 29, 1996. (Kraft Dec.
26 ¶ 11). In addition, GW was available for public use ninety (90) days prior to April 29, 1996, during
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² Declaration of David Kraft filed contemporaneously with this Opposition and referred to hereafter as "Kraft Dec."

1 the field trial at Sam's Town Casino. (Kraft Dec. ¶ 12). GW was released even earlier in Australia,
2 in 1995, under the name White Pointers. The GW and White Pointers games are identical. (Kraft
3 Dec. ¶ 13). GW always operated in the manner described above. Particularly, GW, since its initial
4 design and release, has always revealed the bonus amount associated with the selected shell, and
5 subsequently, revealed the bonus amounts associated with the unselected shells. White Pointers,
6 the same game, has also operated in the same manner since its initial design and release in 1995 and
7 1996. (Kraft Dec. ¶ 15).

9 On January 9, 1997, Ken Laird installed two (2) VLC gaming machines at Stateline
10 Saloon in Amaragosa Valley, Nevada. Each of the gaming machines that Mr. Laird delivered
11 and installed at the Stateline Saloon in Amaragosa Valley, Nevada on January 1, 1997, contained
12 the VLC game GW. (Laird Dec. ¶ 2). At the time Mr. Laird installed the VLC gaming machines
13 at Stateline Saloon, he was VLC's Lead Service Technician. In his role as Lead Service
14 Technician, it was Mr. Laird's job duty to explain the games contained within the gaming machines
15 and perform game demonstrations for VLC customers. (Laird Dec. ¶ 3). As such, he is very
16 familiar with the operating of GW. GW can be selected for play from a choice of games on a VLC
17 Winning Touch multi-game touchscreen machine. Once a player selects GW for play, a basic game
18 begins. The basic game is a video slot machine depicting five reels. During play, certain symbols,
19 shells, may appear in combination, one shell on each reel in any position, triggering a Mystery
20 Bonus game. (Laird Dec. ¶ 5). When the Mystery Bonus game is triggered, the player is prompted
21 to choose a shell to reveal an award. Once the player chooses a shell, the bonus amount awarded
22 with the shell is revealed. A notation on the screen indicates that the bonus amount associated with
23 the selected shell is given to the player. The bonus amounts associated with the remaining
24 unselected shells are also, subsequently, revealed to the player. (Laird Dec. ¶ 6).

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1 **III. ARGUMENT**

2 **A. Requirements For Preliminary Injunction**

3 A preliminary injunction is a drastic and extraordinary remedy that is not to be routinely
4 granted. Intel Corp. v. ULSI Sys. Tech., Inc., 995 F.2d 1556, 1568 (Fed. Cir. 1993). The burden
5 is always on the movant to show entitlement to a preliminary injunction. Reebok Int'l Ltd. v. J.
6 Baker, Inc., 32 F.3d 1552, 1555 (Fed. Cir. 1994).

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8 The law of the Federal Circuit, rather than the Ninth Circuit, governs the issuance of a
9 preliminary injunction in a patent case. Hybritech Inc. v. Abbott Laboratories, 849 F.2d 1446,
10 1450, n. 12 (Fed. Cir. 1988). The Federal Circuit has established a four part test to determine
11 whether a preliminary injunction should be granted in a patent infringement action. The movant
12 must establish: (1) a likelihood of success on the merits, (2) irreparable harm, (3) that the
13 balance of hardships tips in the patent owner's favor; and (4) that the issuance of an injunction
14 favors the public interest. High Tech Med. Instrumentation, Inc. v. New Image Indus., Inc., 49
15 F.3d 1551, 1554 (Fed. Cir. 1995). A preliminary injunction is not a preliminary adjudication on
16 the merits, but a device for preserving the status quo and preventing the irreparable loss of rights
17 before judgment. Sierra On-Line, Inc. v. Phoenix Software, Inc., 739 F.2d 1415, 1422 (9th Cir.
18 1984). No one element is dispositive. The district court "must weigh and measure each factor
19 against the other factors and against the form and magnitude of the relief requested." Hybritech,
20 Inc., 849 F.2d at 1451.

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23 In the present case, not only is WMS unable to show that it will succeed on the merits
24 because its patent is inherently invalid, it simply cannot establish any of the remaining three
25 factors to warrant a preliminary injunction against Sigma.

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1 **B. Plaintiff Cannot Show Likelihood of Success on the Merits Because**
2 **Claims 8, 9, And 10 of the '074 Patent Are Likely Invalid.**

3 Under the first prong, WMS has the burden of demonstrating the irreducible minimum for
4 obtaining a preliminary injunction, "that there is a fair chance of success on the merits." Martin
5 v. International Olympic Committee, 740 F.2d 670 (9th Cir. 1984). In order to succeed on the
6 merits, WMS must prove that the '074 Patent is both valid and infringed by Sigma's products.
7 Bio-Technology Gen. Corp. v. Genentech, Inc., 80 F.3d 1553, 1558 (Fed. Cir. 1996). However,
8 if the alleged infringer raises a question concerning either infringement or validity, *i.e.*, the
9 alleged infringer asserts an infringement or invalidity defense that the patentee cannot prove
10 "lacks substantial merit," the preliminary injunction should not issue. See Amazon.com, Inc. v.
11 Barnesandnoble.com, Inc., 239 F.3d 1343, 1350-51 (Fed. Cir. 2001).

13 In the present case, Sigma believes that the '074 Patent is invalid for the reasons
14 discussed below and, therefore, WMS cannot show any likelihood of success on the merits. In
15 fact, the underlying fallacy in WMS' argument in support of each of the four prongs is the flawed
16 assumption that the '074 Patent is valid. As further discussed below, once the validity of the
17 '074 Patent is shown to be inherently suspect, all of WMS' arguments asserting irreparable
18 injury, balance of hardship and success on the merits fall flat.

19 WMS asserts that five of Sigma's gaming devices, "The Game of Life," "Easy Riches,"
20 "Where's Henry," "Through the Dough" and "PBR," (collectively the "Bonus Games") literally
21 infringe the '074 Patent. To literally infringe the '074 Patent, Sigma's Bonus Games must
22 contain each limitation of the asserted claims. See Bayer AG v. Elan Pharm. Research Corp.,
23 212 F.3d 1241, 1247 (Fed. Cir. 2000).

24 Generally, a determination of infringement requires a two-step analysis. Transclean Corp.
25 v. Bridgewood Services, Inc., 290 F.3d 1364, 1370 (Fed. Cir. 2002). First, the court determines
26 the scope and meaning of the patent claims asserted. Id. Second, the properly construed claims
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1 are compared to the allegedly infringing device. Id. Upon comparison, literal infringement
2 exists only if every claim limitation is found in the accused device. Id. Step one, claim
3 construction, is an issue of law. Id. The infringement analysis in step two is a question of fact.
4 Id.

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6 The text of Claims 8, 9 and 10 of the '074 Patent is set forth below:

7 8. A method of conducting a feature of a wagering game, comprising:
8 displaying a plurality of selectable elements pre-associated with respective
9 outcomes and remaining associated with the respective outcomes for a duration of
10 the feature; revealing the outcomes associated with the selected elements; and
11 at a conclusion of the feature, revealing the outcomes associated with any
12 unselected ones of the elements, thereby permitting a player to view the outcomes
13 that were not awarded.

14 9. The method of claim 8, wherein the step of displaying a plurality of selectable
15 elements is triggered by a start-bonus outcome in a basic game.

16 10. The method of claim 9, wherein the basic game includes a plurality of reels
17 that rotated and stopped to place symbols on the reels in visual association with a
18 display area.

19 (Col. 22, ll. 44-65).

20 Sigma does not concede that its Bonus Games contain each element of the asserted claims
21 and that the Bonus Games infringe the '074 Patent³. However, Sigma's Bonus Games do not
22 infringe because the '074 Patent is invalid.

23 Validity challenges during preliminary injunction proceedings may succeed if they raise
24 substantial questions of invalidity, even on evidence that would not suffice to support a judgment
25 of invalidity at trial. Amazon.com, 239 F.3d at 1358. "Vulnerability is the issue at the
26 preliminary injunction stage, while validity is the issue at trial." Id. The showing of a substantial
27 question as to invalidity thus requires less proof than the clear and convincing showing necessary
28 to establish invalidity at trial. Id. The patentee seeking a preliminary injunction must present a
clear case supporting the validity of the patent but need not establish the patent's validity beyond
question. Id. at 1359. Such a case might be supported, for example, by showing that the patent

1 in suit had successfully withstood previous validity challenges in other proceedings or from a
2 long period of industry acquiescence in the patent's validity. Id.

3 As further discussed below, the '074 Patent was issued on November 11, 2003, barely
4 two months prior to WMS commencing this action against Sigma. Consequently, Sigma
5 believes that this is the first instance of a challenge to the '074 Patent's validity.
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7 1. Prior Art References Anticipate Claims 8, 9 and 10 of the '074 Patent and
8 Renders Those Claims Invalid Pursuant to 35 U.S.C. § 102.

9 The '074 Patent is invalid pursuant to 35 U.S.C. § 102 as anticipated by each of two
10 different items of prior art: Great Whites and White Pointers. The provisional application for
11 the '074 application was filed on March 24, 1998 and the United States Patent and Trademark
12 Office ("PTO") awarded the '074 Patent on November 11, 2003.⁴ (WMS Brief, at 5). Thus, the
13 critical date is March 24, 1998.

14 A basic requirement for patentability is novelty. See 35 U.S.C. §§ 102, 103. An
15 "anticipated" or unoriginal invention cannot be patented and will be found invalid. See Kegel
16 Co., Inc. v. AMF Bowling, Inc., 127 F.3d 1420, 1429 (Fed. Cir. 1997). A patent is invalid if it is
17 anticipated by prior art. Continental Can Co. USA, Inc. v. Monsanto Co., 948 F.2d 1264 (Fed.
18 Cir. 1991). Anticipation is a factual issue. Glaxo, Inc. v. Novopharm, Ltd., 52 F.3d 1043, 1047
19 (Fed. Cir. 1995). However, a showing of anticipation "requires the presence in a single prior art
20 reference disclosure of each and every element of the claimed invention, arranged as in the
21 claim." Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Co., 730 F.2d 1452,
22 1458 (Fed. Cir. 1984) (citations omitted).
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25 Whether a patented invention is "new" or "anticipated" is tested in accordance with 35
26 U.S.C. § 102, which provides, in part, that:
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28 ³ Sigma does not waive any arguments as to non-infringement by arguing for purposes of approving the Motion for Preliminary Injunction only, that the Sigma Bonus Games do not infringe because of the '074 Patent is invalid.

1 A person shall be entitled to a patent unless:

2 (a) the invention was known or used by others in this country, or patented or
3 described in a printed publication in this or a foreign country, before the invention
4 thereof by the application for patent, or

5 (b) the invention was patented or described in a printed publication in this or a
6 foreign country or in public use or on sale in this country, more than one year
7 prior to the date of the application for patent in the United States, or...

8 (g) before the applicant's invention thereof the invention was made in this country
9 by another who had not abandoned, suppressed or concealed it.

10 35 U.S.C. § 102(a), (b), (g); Continental Can. Co. USA, Inc., 948 F.2d at 1267. Anticipation
11 under § 102 requires a showing that the "identical invention that is claimed is known to others
12 and thus is not new." Id. A prior art reference anticipates a patent claim if the reference
13 discloses, either expressly or inherently, all of the limitations of the claim. Finnigan Corp. v. ITC,
14 180 F.3d 1354, 1365 (Fed. Cir. 1999). The accused infringer demonstrates that a patent claim is
15 "anticipated" and therefore invalid "if each and every limitation is found either expressly or
16 inherently in a single prior art reference." Celeritas Technologies Ltd. v. Rockwell Int'l Corp.,
17 150 F.3d 1354, 1361 (Fed. Cir. 1998), cert. denied 525 U.S. 1106, 119 S. Ct. 874, 142 L. Ed. 2d
18 774 (1999). "The disclosure need not be express, but may be anticipated by inherency where it
19 would be appreciated by one of ordinary skill in the art." Glaxo, 52 F.3d at 1047 citing
20 Continental Can Co. USA, Inc., 948 F.2d at 1268.

21 Under § 102(a) prior art anticipates the patented invention where the prior art is "known
22 or used by others" prior to the date of invention. Carella v. Starlight Archery and Pro Line Co.,
23 804 F.2d 135, 139 (Fed. Cir. 1986). This phrase necessitates a finding that the public must have
24 access to the knowledge of the prior art. Id. Generally, any "non-secret use" of the process or
25 invention "in its natural and intended way is public use." Kardulas v. Florida Machine Products
26 Company, 438 F.2d 1118, 1123 (5th Cir. 1971). Exposure to customers is considered to be
27 public use. Id. citing Carella, 804 F.2d at 139. Furthermore, a court may find public use where

28 ⁴ In its Motion, WMS asserts that the '074 application was filed on April 23, 1997. However, neither the declaration
in support of the Motion nor the application history listed on the '074 Patent supports this assertion.

1 there is non-secret use of a claimed process in the usual course of producing articles for
2 commercial use. W.L. Gore & Associates v. Garlock, Inc., 721 F.2d 1540, 1549 (Fed.Cir.1983).

3 As evidenced by the Kraft Declaration and the exhibits thereto and further corroborated
4 by the declarations of the GW game designers John O'Donovan, Brent Lang and Dustin
5 Fasbender and VLC President Michael Eide,⁵ the VLC game GW, developed in 1995, and in use
6 in this county by early 1996, includes each of the elements of Claims 8, 9 and 10 of the '074
7 Patent as described in the claim chart below:
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'074 PATENT CLAIM 8	VLC GREAT WHITES ("GW")
A method of conducting a feature of a wagering game, comprising:	Certain VLC gaming machines, including the VLC Winning Touch Multi-Game touchscreen game, offer the game GW for play. GW is a game that begins by the player inserting a number of coins or playing a number of credits.
displaying a plurality of selectable elements preassociated with the respective outcomes for a duration of the feature;	In the Mystery Bonus game, GW displays five shells (one on each of five reels), any one of which can be selected by the player. Each of the shells is associated with a certain bonus amount. The bonus amount associated with each shell remains the same for the duration of the Mystery Bonus game.
revealing outcomes associated with the selected elements;	When the player selects a shell, the bonus amount associated with that shell is revealed to the player.
awarding outcomes associated with the selected elements; and	GW awards the player the bonus amount associated with the selected shell.
At the conclusion of the feature, revealing the outcomes associated with any unselected ones of the elements, thereby permitting a	After the player selects a shell, GW reveals the bonus amounts behind each unselected shell to permit the player to view the bonus amounts associated with those shells that were

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⁵ The declarations of the GW game designers John O'Donovan, Brent Lang, Dustin Fasbender and VLC's President from 1994 through 1998, Michael Eide, are filed contemporaneously with this Opposition.

1	player to view the outcomes that were not awarded.	not selected and awarded.
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3	'074 PATENT CLAIM 9	
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5	The method of claim 8, wherein the step of displaying a plurality of selectable elements is triggered by a start-bonus outcome in a basic game.	The Mystery Bonus game where the shells are selected is triggered when a shell appears on each reel in any position when all nine pay lines are played.
6		
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8	'074 PATENT CLAIM 10	
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10	The method of claim 9, wherein the basic game includes a plurality of reels that are rotated and stopped to place symbols on the reels in visual association with a display area.	The basic game includes five reels which contain certain symbols that are rotated and stopped on screen for viewing by the player.
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14 The '074 Patent is invalid because GW constitutes prior art which anticipates Claims 8, 9
15 and 10 of the patent. Sigma further states that because the bonus and reveal feature embodied in
16 Claim 8 of the '074 Patent and the process described in Claim 8 of the '074 Patent were in public
17 use or on sale in the United States more than one year before the date of WMS' application
18 which was filed on March 24, 1998, it is invalid under 35 U.S.C. § 102(b). See Kraft Dec. ¶¶ 9-
19 14, see also Laird Dec. ¶¶ 2-7. WMS admits that the bonus game at issue in this case was first
20 included in WMS' "Jackpot Party" game in 1997. The bonus game and the reveal feature at
21 issue were in use in this country prior to 1997. Hence, the Claims are also invalid under 35
22 U.S.C. § 102(a), (b) and (g).
23

24
25 2. Prior Art References Make Obvious Claims 8, 9 and 10 of the '074 Patent
26 and Renders Those Claims Invalid Pursuant to 35 U.S.C. § 103.

27 The prior art, Poker Plus combined with GW and White Pointers, makes WMS' reveal
28 feature obvious and the '074 Patent invalid. A preliminary injunction motion may properly be
denied if the patentee fails to show a likelihood of success in proving that the patent is non-

1 obvious in view of the prior art. Stratedge Corp. v. Dielectric Lab. Inc., 48 U.S.P.Q.2d 1458,
2 1460-61 (S.D. Cal. 1998). Whether or not a patent is valid on the basis of obviousness is
3 governed by 35 U.S.C. § 103, which provides:

4 A patent may not be obtained ... if the differences between the subject matter
5 sought to be patented and the prior art are such that the subject matter as a whole
6 would have been obvious at the time the invention was made to a person having
ordinary skill in the art to which said subject matter pertains.

7 A patent is invalid if its allegedly inventive characteristics and elements could be readily
8 deduced from publicly available material by a person of ordinary skill in the art at the time of its
9 invention. See Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 150, 109 S.Ct. 971,
10 103 L.Ed.2d 118 (1989). Demonstration of obviousness will depend *inter alia* upon a showing
11 of the level of ordinary skill in the prior art and the differences between the claimed invention
12 and the prior art. See Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 17-18, 86 S. Ct.
13 684, 15 L. Ed. 2d 545 (1966); Miles Labs., Inc. v. Shandon Inc., 997 F.2d 870, 877 (Fed. Cir.
14 1993).

15 The United States Supreme Court and the Federal Circuit have adopted a number of
16 factors, the presence of which constitute strong evidence of nonobviousness. See e.g., Graham v.
17 John Deere, 383 U.S. 1, 17-18, 86 S. Ct. 684, 693-94, 15 L. Ed. 2d 545 (1966); Hybritech, Inc. v.
18 Abbott Labs., 849 F.2d 1446, 1451 (Fed.Cir.1988). In Graham the Supreme Court set out three
19 guidelines for the determination of obviousness in:
20

- 21 1) what is the scope and content of the prior art;
- 22 2) what are the differences between the prior art and the claims of the patent; and
- 23 3) what was the level of ordinary skill in the art at the time the invention was made.

24 Graham v. John Deere Co., 383 U.S. 1, 17 (1966). The Supreme Court also indicated in
25 Graham that secondary considerations, such as the commercial success of the invention, the long
26 felt but unsolved need for it, and the failure of others to produce it, may be used to give light to
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1 the circumstances surrounding the origin of the subject matter to be patented. 383 U.S. at 17-18.
2 These objective factors must be considered by the Court and may supply the strongest evidence
3 that an invention was not obvious. Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1538 (Fed.
4 Cir. 1983). Of course, a nexus must be established between the objective factor and the claimed
5 invention. Id. at 1539.

6
7 The Federal Circuit has recognized that the determination of obviousness requires courts
8 to consider both what the prior art references expressly teach and what the prior art would have
9 suggested to one of ordinary skill in the art at the time the invention was made. In re Rouffet,
10 149 F.3d 1350, 1355-56 (Fed. Cir. 1988). Unlike anticipation under 35 U.S.C. § 102,
11 obviousness does not require all the limitations of the disputed claim to be disclosed in a single
12 reference. Structural Rubber Products, Co. v. Park Rubber Co., 749 F.2d 707 (Fed. Cir. 1984)
13 (holding that the prior art disclosure that "almost" meets the anticipation standard may render the
14 claim invalid under 35 U.S.C. § 103).

15
16 a. The first Graham factor: scope and content of the prior art.

17 The first Graham factor is determining the scope and content of the prior art at the time of
18 the invention. In determining the scope and content of the prior art, it is presumed that the
19 inventor had full knowledge of all the art in the field of his endeavor and in analogous arts.
20
21 Union Carbide Corp. v. American Can Co., 724 F.2d 1567, 1572 (Fed Cir. 1984). The burden on
22 the party asserting obviousness is more easily carried where the references upon which the
23 assertion is based were not directly considered as prior art by the examiner during prosecution.
24
25 Applied Materials, Inc. v. Advanced Semiconductor Materials Am., Inc., 98 F.3d 1563, 1569
26 (Fed. Cir. 1996).

27 Here, the patent examiner neither reviewed the prior art GW and White Pointers, nor did
28 WMS disclose the same to the PTO, even though WMS cannot possibly overcome the

1 presumption that it did not have knowledge of these VLC games. See Union Carbide, 724 F.2d at
2 1572. Even in the prior art actually disclosed to the PTO by WMS, Poker Plus, WMS failed to
3 disclose the reveal feature included in Poker Plus. (Hein Dec. ¶¶ 9-11).

4 As discussed in section B.1. above, GW embodies all of the elements of Claims 8, 9 and
5 10: the basic game includes five reels which contain certain symbols that are rotated and stopped
6 on screen for viewing by the player; it includes a Mystery Bonus feature that is triggered when a
7 shell appears on each reel in any position when all nine pay lines are played; and when the player
8 selects a shell, the bonus amount associated with that shell is revealed to the player and GW
9 reveals the bonus amounts behind each unselected shell to permit the player to view the bonus
10 amounts associated with those shells that were not selected and awarded. (Kraft Dec. ¶¶ 6-7).

11 This factor of the Graham test strongly suggests that the '074 Patent will be invalidated
12 due to obviousness.

13 b. The second Graham factor: differences in the prior art and WMS'
14 claims.

15 Here, there is no difference in the prior art, GW and White Pointers, available and known
16 to those of ordinary skill in the art at the time. In addition, even Poker Plus contains all of the
17 elements of Claims 8, 9 and 10, except that under Claim 10, Poker Plus basic game does not have
18 a plurality of reels that are rotated. Poker Plus has a screen where a five-card draw poker hand is
19 randomly shuffled instead of a plurality of reels. (Hein Dec. ¶¶ 4-7). However, even as to Poker
20 Plus, given that the prior art at the time was replete with gaming machines that had a plurality of
21 reels that are rotated, combining basic game with the bonus feature of Poker Plus would have
22 been obvious to one skilled in the art. The difference is certainly not such as to make the '074
23 Patent non-obvious. The Federal Circuit has explained that the "suggestion to combine may be
24 found in explicit or implicit teachings within the references themselves, from the ordinary
25 knowledge of those skilled in the art, or from the nature of the problem to be solved." In re

1 Rouffet, 149 F.3d at 1357. The test is what the combined teachings of the references would have
2 suggested to those of ordinary skill in the art. Cable Electric Products, Inc. v. Genmark, Inc., 770
3 F.2d 1015, 1025 (Fed Cir. 1985).

4 While the GW and White Pointers prior art is not at all different from the '074 Patent,
5 even the references in Poker Plus, a bonus game with a reveal feature, would be readily
6 combined with the extensive existing prior art, plurality of reels which contain certain symbols
7 that are rotated and stopped on screen for viewing by the player, by a person of ordinary skill in
8 the gaming design and development art. Consequently, even the second factor of the Graham
9 test suggests that the '074 Patent would be deemed invalid due to obviousness.
10

11 c. The third Graham factor: the level of ordinary skill in the art.

12 While the level of skill in the art has yet to be determined, Sigma believes that at very
13 least a person possessing the level of ordinary skill would have completed at least several
14 college-level courses in computer science or electrical engineering, would have been employed
15 for several years in the field of engineering, developing and designing gaming devices, and
16 would have had some knowledge of probability theory, random numbers, and computer
17 programming. Certainly, such a person would readily combine basic gaming technology such as
18 a game with plurality of reels which contain certain symbols that are rotated and stopped on
19 screen for viewing by the player with a bonus round for added excitement and payoffs to the
20 players as was already readily available in Poker Plus. Inherency also arises in the context of
21 obviousness. In re Napier, 55 F.3d 610, 613 (Fed. Cir. 1995).
22

23 In the present case, each of the Graham factors militate in favor of obviousness of WMS'
24 claimed invention. The embodiment of the claims at issue in the prior art constituting Poker
25 Plus, GW, and White Pointers coupled with the ordinary skill in the art at the time make the
26 WMS bonus and reveal feature obvious and the '074 Patent invalid.
27
28

1 3. Claims 8, 9 and 10 of The '074 Patent Are Likely to be Deem Invalid
2 Because of Plaintiff's Violation of its Duty of Candor to the PTO.

3 The '074 Patent is unenforceable due to inequitable conduct by WMS before the PTO.
4 An inequitable conduct charge entails a two-part inquiry. First, the defendant must demonstrate
5 an intent to mislead the patent examiner. See Monon Corp. v. Stoughton Trailers, Inc., 239 F.3d
6 1253, 1261 (Fed. Cir. 2001). Second, the defendant must show that the misrepresentation was
7 material. Id. If the threshold requirements of materiality and intent are established, the court
8 must balance those findings to determine whether "the scales tilt to a conclusion that inequitable
9 conduct occurred." Id.

11 When faced with allegations of the direct commission of fraud, a district court must
12 determine whether the withheld information meets a threshold standard of materiality and intent
13 to mislead. See Akron Polymer Container Corp. v. Exxel Container, Inc., 148 F.3d 1380, 1383
14 (Fed. Cir. 1998). Once the threshold levels of materiality and intent have been met, the court
15 must then weigh these two factors and determine, in its exercise of equitable discretion, whether
16 any inequitable conduct has occurred. See Halliburton Co. v. Schlumberger Tech. Corp., 925
17 F.2d 1435, 1439 (Fed. Cir. 1991). The more material the omission, the less evidence of culpable
18 intent is required, and vice versa. See N.V. Akzo v. E.I. Dupont de Nemours, 810 F.2d 1148,
19 1153 (Fed. Cir. 1987). "Information is 'material' when there is a substantial likelihood that a
20 reasonable examiner would have considered the information important in deciding whether to
21 allow the application to issue as a patent." Elk Corp. of Dallas v. GAF Bldg. Materials Corp.,
22 168 F.3d 28, 31 (Fed. Cir. 1999) (citation omitted). Where false or misleading affidavits or
23 documents are submitted to overcome a prior art rejection by a patent examiner, the requisite
24 materiality may be presumed. See Refac Int'l, Ltd. v. Lotus Development Corp., 81 F.3d 1576,
25 1584 (Fed. Cir. 1996); Rohm & Haas Co. v. Crystal Chemical Co., 722 F.2d 1556, 1570 (Fed.
26 Cir. 1983).

1 WMS failed to disclose the existence of prior art that not only makes WMS' claimed
2 reveal feature invention anticipatory and obvious, but also invalidates the '074 Patent due to
3 WMS' lack of candor to the PTO. Only nine days prior to the interview by the PTO examiner
4 regarding the '074 Patent on July 8, 2003, at which time the Examiner agreed that the claims
5 were allowable, WMS disclosed the existence of Poker Plus to the PTO. (See Ex. "D,"
6 Statement of Substance of Interview WMS 000390). See also Exhibit "F" attached hereto
7 depicting a video slot base game with a bonus poker game, which was disclosed by WMS to the
8 PTO. It is highly unlikely the PTO had the time to properly evaluate Poker Plus. Moreover,
9 Sigma is informed and believes that WMS was aware of Poker Plus at least before April 2003,
10 through a deposition of a Bally's employee that occurred in the case of WMS Gaming Inc. v.
11 Shufflemaster (CV-S-02-1206-JCM-LRL), and that WMS observed the operation of Poker Plus
12 around the same time. (As the case was dismissed on April 7, 2003, the deposition would have
13 occurred before that date.) WMS' counsel, Mr. Mizerk, has advised the undersigned that a Joint
14 Defense Agreement exists between WMS and Bally's on certain undisclosed subject matter.
15 Based upon that Bally's counsel could not confirm the date or content of the deposition in
16 question.
17

18
19 Even assuming the PTO was able to examine WMS' last minute disclosure Poker Plus,
20 the documents submitted by WMS describing Poker Plus were only six pages (attached hereto as
21 Exhibit "E") and fail to disclose the most damaging photographic evidence from Poker Plus: the
22 reveal feature, as depicted in Exhibit 3 attached to the Hein Declaration (bates nos. SGI 00948).
23 That document clearly shows that if the player fails to select the correct suit of the four-of-a-kind,
24 all the cards are displayed to the player to indicate the position of all the cards, and the bonus
25 round ends. (Hein Dec. ¶ 10). Curiously, the documents submitted by WMS to the PTO
26 examiner regarding Poker Plus simply omit the very screen that reflects this "reveal" feature
27
28

1 incorporated in Poker Plus. Sigma submits that the failure to disclose the reveal feature of Poker
2 Plus was a material omission that would have directly impacted the patent examiner's decision
3 regarding the '074 Patent.

4 **C. WMS Cannot Establish That It Will Be Irreparably Harmed.**

5 Irreparable harm will be presumed "when a clear showing has been made of patent
6 validity and infringement." H.H. Robertson Co. v. United Steel Deck Inc., 820 F.2d 384, 390
7 (Fed.Cir. 1987). Without that clear showing, a patentee must submit evidence and reasoned
8 analysis to support the argument that money damages will not be an adequate remedy. Nutrition
9 21 v. United States, 930 F.2d 867, 872 (Fed.Cir.1991). The movant bears the burden of proving
10 entitlement to relief. Sofamor Danek Group, Inc. v. DePuy-Motech, Inc., 74 F.3d 1216, 1219
11 (Fed. Cir. 1996), citing Reebok Int'l Ltd., 32 F.3d at 1555. Even when a patentee is entitled to
12 the presumption of irreparable harm based on his clear showing of infringement, the presumption
13 may be rebutted with clear evidence that no harm will result if the injunction is denied. Roper
14 Corp. v. Litton Systems, Inc., 757 F.2d 1266, 1272 (Fed.Cir. 1985).

15 The cases which have held that a presumption of irreparable harm exists generally
16 involve "situations where there were prior adjudications upholding the validity of the relevant
17 patents, and/or where validity or infringement were uncontested." Calmar v. Emson Research,
18 838 F. Supp. 453 (C.D. Ca. 1993). H.H. Robertson Co. v. United Steel Deck, Inc., 820 F.2d 384,
19 388 (Fed. Cir. 1987), overruled on other grounds, 52 F.3d 967 (Fed. Cir. 1995).

20 In the present case, the '074 Patent issued on November 11, 2003. There has been no
21 prior adjudications upholding the validity of the '074 Patent. In fact, WMS commenced this
22 action barely two monthly after the patent issued. Consequently, as there is no clear showing of
23 validity of the '074 Patent, WMS is not entitled to a presumption of irreparable harm. Rather,
24 because the '074 Patent will likely be deemed invalid, enjoining Sigma's operation of its Bonus
25
26
27
28

1 Games will greatly harm Sigma's current business operations development of new Bonus
2 Games, and will seriously harm its business relationships with the various gaming properties that
3 utilize the Bonus Games. (Jackson Dec. ¶¶ 8-10).

4 **D. The Balance of Irreparable Injury Overwhelmingly is in Favor of Sigma.**

5
6 As noted above, a preliminary injunction in the context of patent infringement suits is a
7 drastic remedy and should not be granted lightly. See Intel Corp. v. ULSI System Technology,
8 Inc., 995 F.2d 1566, 1568 (Fed. Cir. 1993). Thus, a court should weigh the relative hardships
9 upon the parties. Factors to be considered include the effect on the patentee's market share,
10 business reputation, and goodwill, as well as the parties' relative size. See, e.g., Bell & Howell
11 Document Management Prods. Co. v. Altek Systems, 132 F.3d 701, 708 (Fed. Cir. 1997); Illinois
12 Tool Works, Inc. v. Grip-Pak, Inc., 906 F.2d 679, 684 (Fed. Cir. 1990).

13
14 Because the court must balance the hardships, at least in part in light of its estimate of
15 what is likely to happen at trial, it must consider the movant's showing of likelihood of success.
16 Yet, a court must remain free to deny a preliminary injunction, whatever be the showing of
17 likelihood of success, when equity in the light of all the factors so requires. Illinois Tool Works,
18 Inc. v. Grip-Pak, Inc., 906 F.2d 679, 683 (Fed. Cir. 1990).

19
20 As noted above, enjoining Sigma's operation of its Bonus Games will greatly harm
21 Sigma's business operations in developing new Bonus Games and will harm its business
22 relationships with the various gaming properties that utilize the Bonus Games. (Jackson Dec. ¶¶
23 8-10). On the other hand, allowing WMS to enforce a patent that is likely to be deemed invalid
24 simply rewards WMS for its inequitable conduct in its disclosures to the PTO.

25 **E. The Public Interest Favors Denial of Plaintiff's Injunction.**

26
27 Sigma acknowledges that it is well established that in patent cases there is an important
28 public interest in favor of protecting the rights secured by a valid patent. See Hybritech, Inc. v.

1 Abbott Labs., 849 F.2d 1446, 1458 (Fed.Cir.1988). In fact, the only public interest cited by
2 WMS in support of issuing a preliminary injunction is the public interest in protecting patents.
3 However, if this alone were a sufficient public interest it would render the public interest element
4 of the four-part test superfluous, as it would always favor the plaintiff. The focus, according to
5 the Federal Circuit, is "whether there exists some critical public interest that would be injured by
6 the grant of preliminary relief." Hybritech, 849 F.2d at 1458.

8 In the present case, it is likely that the '074 Patent will be found to be invalid.
9 Consequently, any public interest in enforcing valid patents is not applicable in this case. Rather,
10 the critical public interest is in not allowing WMS to use wrongly obtained patents as the basis
11 for impeding legitimate business transactions and in engaging in unfair competition.

12 IV. CONCLUSION

13
14 For the reasons stated above, Sigma asks that WMS' Motion for Preliminary Injunction
15 be denied. In the event that the Court would consider granting an injunction, Sigma would urge
16 the Court to establish a substantial bond of at least \$5 million, which represents approximately
17 one year's revenue for Sigma from the Bonus Games based on annualized historical revenues
18 over the last three years. (Murphy Dec. ¶ 4).

19 Dated this the 22nd day of March 2004.

20
21 GORDON & SILVER, LTD.

22 BY: 

23 ERIC R. OLSEN, ESQ.

24 Nevada Bar No. 3127

25 LYNDIA P. KING, ESQ.

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CERTIFICATE OF FACSIMILE

The undersigned, an employee of Gordon & Silver, Ltd., hereby certifies that on the 22nd day of March 2004, she served a copy of Defendant Sigma Game, Inc.'s Opposition to Motion for Preliminary Injunction and all supporting Declarations on the following persons by facsimile

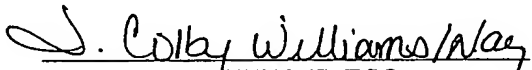
Don J. Mizerk, Esq.
Winston & Strawn
35 W. Wacker Drive
Chicago, IL 60601-9703
312-558-5700


Vicki Thomas, an employee of
Gordon & Silver, Ltd

RECEIPT OF COPY

A RECEIPT OF COPY of Defendant Sigma Game, Inc.'s Opposition to Plaintiff's Motion for Preliminary Injunction and all supporting Declarations are hereby acknowledged this 22nd day of March 2004.

CAMPBELL & WILLIAMS


J. COLBY WILLIAMS, ESQ: 4:35 pm
700 South Seventh Street
Las Vegas, Nevada 89101

1 GORDON & SILVER, LTD.
ERIC R. OLSEN, ESQ.
2 Nevada Bar No. 3127
LYNDA P. KING, ESQ.
3 Nevada Bar No. 7047
4 3960 Howard Hughes Parkway, 9th Floor
Las Vegas, NV 89109
5 (702) 796-5555
6 Attorneys for Defendant, SIGMA GAME, INC.

7
8 UNITED STATES DISTRICT COURT
9 DISTRICT OF NEVADA

10 WMS GAMING, INC.,

No.: CV-S04-0027-RLH-LRL

11 Plaintiff,

12 vs.

13 SIGMA GAME, INC.,

14 Defendants.
15 _____/

DECLARATION OF JAMES JACKSON
IN SUPPORT OF DEFENDANT,
SIGMA GAME, INC.'s OPPOSITION
TO PLAINTIFF, WMS GAMING,
INC.'s, MOTION FOR PRELIMINARY
INJUNCTION

16 I, James Jackson, declare:

17 1. I am the President and CEO of Sigma Game, Inc. ("Sigma"), the defendant in the
18 above-captioned matter, and have held this position since joining the company in June of 1997. I
19 am primarily responsible for the day-to-day operations of the company.
20

21 2. I make this Declaration on behalf of Sigma and in support of its Opposition to
22 Plaintiff, WMS Gaming, Inc.'s ("WMS") Motion For Preliminary Injunction ("Injunction
23 Motion"). I have reviewed the claims contained within Patent No. US 6,645, 074 B2 ("074
24 Patent").
25

26 3. Sigma develops and markets gaming devices for use primarily in North America
27 but have also sold games internationally. Sigma is a privately held gaming device manufacturer
28 and developer and has been in business since 1984. As one of the few, if not the only, privately

1 held gaming manufacturers competing in the marketplace today, Sigma is relatively a small entity
2 compared to WMS producing revenues roughly equal to 10%-15% of that of WMS.

3 4. Because of Sigma's size and lack of capital, Sigma has concentrated its sales and
4 game development efforts to proprietary and branded game themes aimed at major casino
5 operators and/or major markets such as Harrah's, Caesars Entertainment and Turning Stone
6 Casino. While most Sigma products are sold directly to casinos, Sigma operates on a revenue-
7 share or lease basis approximately 70 devices.
8

9 5. Among the various games developed by Sigma are "The Game of Life," "Easy
10 Riches," "Where's Henry," "Through the Dough" and "PBR," (collectively the "Bonus Games").
11

12 6. In or about September, 2003, WMS contacted Sigma about the existence of the
13 claims of that certain patent, United States Patent No. 6,645,074 (the "'074 Patent"), which
14 WMS at the time anticipated being awarded by the United States Patent and Trademark Office
15 ("PTO"). WMS expressed an interest in licensing certain rights to the patent but nothing specific
16 was proposed.

17 7. Sigma was surprised by the issuance of this patent because Sigma believed that
18 the "reveal" feature was a requirement by at least one if not more gaming jurisdictions. Because
19 of the litigation, Sigma believes New Jersey (a jurisdiction which requires a "reveal" feature) and
20 Nevada will allow us to display the information on non-revealed amounts as part of the Help
21 Screen function.
22

23 8. Because of limited engineering and financial resources, enjoining Sigma's
24 operation of its Bonus Games will greatly harm Sigma's business operations in developing new
25 Bonus Games and will harm its business relationships with the various gaming properties that
26 utilize the Bonus Games.
27
28

1 9. Sigma will be harmed in a number of ways including the hard cost of submitting
2 for approval the modified software, the possible delay and/or cancellation of any pending sales as
3 we await these approvals, the opportunity cost of utilizing very limited engineering resources to
4 make these modifications as opposed to creating new games, the likelihood that games currently
5 on revenue-share or lease will be returned if we are forced to shut them off until replacement
6 software is installed and the negative reaction from casino customers should they be forced to
7 modify software on their casino floors..
8

9 10. Sigma is informed and believes that some of its customers that have expressed
10 concerns about the '074 Patent which may have contributed to Sigma's lack of sales since the
11 commencement of this litigation by WMS.
12

13 11. On or about March 15, 2004, I videotaped and photographed a VLC gaming
14 machine containing the game Great Whites ("GW") while it was in basic play and in the Mystery
15 Bonus mode. This particular machine had software that had a copyright date of 1995-1998.
16

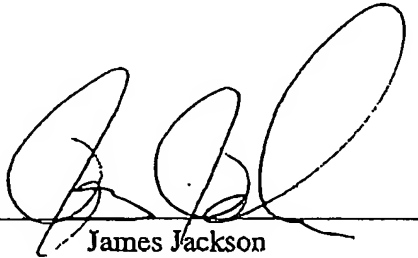
17 12. On March 17, 2004 I videotaped and photographed a VLC machine containing the
18 game GW at another location. This machine had a 1996 manufacture date and appeared to
19 contain software with a 1997 copyright date. The GW game appeared to have less refined
20 graphics than the one described in paragraph 12 above, but the game play appeared to be
21 identical. The only differences appear to include the graying out of the non-bonus symbols prior
22 to selection by the player and the fact that the game definitely awarded the player his bonus
23 amount prior to revealing the amounts in the non-selected elements. In the other version it seems
24 like the player was shown the non-selected amounts virtually simultaneously with the awarding
25 of the bonus.
26

27 13. I have also videotaped the operation of the Bally Gaming, Inc. machine Poker Plus
28 on or about March 16, 2004. Each of the videotaped events described in paragraphs 12 and 13

1 are copied on to that certain videotape identified as Bates Stamped No. SGI 009421. I have
2 reviewed the videotape SGI 009421 and it is a true and accurate depiction of the events described
3 in paragraph 12 and 13.

4 I declare under penalty of perjury of the laws of the United States that the foregoing is
5 true and correct.

6 Executed on March 22nd, 2004.

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9 James Jackson

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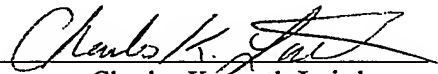
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1 basic game is a video slot machine depicting five reels. During play, certain symbols, shells, may
2 appear in combination, one shell on each reel in any position, triggering a Mystery Bonus game.¹

3 6. When the Mystery Bonus game is triggered, the player is prompted to choose a
4 shell to reveal an award. Once the player chooses a shell, the bonus amount awarded with the
5 shell is revealed. A notation on the screen indicates that the bonus amount associated with the
6 selected shell is given to the player. The bonus amounts associated with the remaining unselected
7 shells are also, subsequently, revealed to the player.
8

9 7. GW operated in the manner described in Paragraphs 5 and 6 on January 1, 1997.
10 Particularly, GW operated in the manner described in Paragraphs 5 and 6 on the two (2) gaming
11 machines that I delivered, installed, and performed a game demonstration on, for the Stateline
12 Saloon in Amaragosa Valley, Nevada on January 1, 1997.
13

14 I declare under penalty of perjury of the laws of the United States that the foregoing is
15 true and correct. Executed on March _____, 2004, in Las Vegas, Nevada.
16

17 
18 Charles Kenneth Laird
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¹ The Mystery Bonus game is triggered when the player plays all nine pay lines.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application No. : 09/981,203
Applicants : Alfred Thomas
Benjamin T. Gomez
Robert J. Wilson, Jr.
Roger A. Delott
Filed : October 16, 2001
Title : Bonus Game For A Gaming Machine
TC/A.U. : 3713
Examiner : John M. Hotaling
Docket No. : 47079-00013USC2
Customer No. : 30223

Commissioner for Patents
Mail Stop Issue Fee
P.O. Box 1450
Alexandria, VA 22313-1450

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail, postage prepaid, in an envelope addressed to the Commissioner for Patents, Mail Stop Issue Fee, P.O. Box 1450, Alexandria, VA 22313-1450, on August 15, 2003.

Signature: Janet L. Newmaker
Janet L. Newmaker

STATEMENT OF THE SUBSTANCE OF THE INTERVIEW

Dear Sir:

The Applicants' representative appreciates the telephonic interview afforded by Examiner Hotaling on July 8, 2003. During that interview, the Applicants' representative agreed to submit a terminal disclaimer. Additionally, the Examiner agreed that the claims are allowable and to pass the case to issue.

Respectfully submitted,

Date: August 15, 2003

Michael J. Blankstein
Michael J. Blankstein
Reg. No. 37,097
(773) 961-1480
Attorney for Applicants

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In Re Application Of:)	Atty. Docket No.: 47079-0013C2
)	
Thomas et al.)	Examiner: Hotaling, John M
)	
Application No.: 09/981,203)	Group Art Unit: 3713
)	
Filed: October 16, 2001)	
)	
For: Bonus Game for a Gaming Machine)	

CERTIFICATE OF MAILING	
37 C.F.R. 1.8	
I hereby certify that this correspondence is being deposited with the U.S. Postal Service as First Class Mail in an envelope addressed to Commissioner for Patents, P.O. Box 1450, Alexandria, Virginia 22313-1450, on the date indicated below:	
Date <u>6/24/03</u>	Signature <u>[Signature]</u>

**SUPPLEMENTAL INFORMATION DISCLOSURE
STATEMENT UNDER 37 C.F.R. §§ 1.97 AND 1.98**

Commissioner for Patents
P.O. Box 1450,
Alexandria, Virginia 22313-1450

Dear Sir:

In compliance with the duty of disclosure under 37 C.F.R. § 1.56, it is respectfully requested that this Information Disclosure Statement be entered, and the references listed on enclosed Form PTO-1449 be considered by the Examiner and made of record. In accordance with 37 C.F.R. § 1.98(d), copies of the listed references are enclosed.

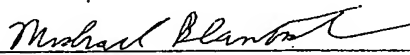
WMS 000425

In accordance with 37 C.F.R. §§ 1.97(g) and (h), this Information Disclosure Statement is not to be construed as a representation that a search has been made, or an admission that the information disclosed is, or is considered to be, prior art with respect to the present application or material to patentability, as defined in 37 C.F.R. § 1.56.

This Information Disclosure Statement is being filed prior to receipt of a first Office Action reflecting an examination on the merits and, hence, is believed to be timely in accordance with 37 C.F.R. § 1.97(b). Accordingly, no fee is believed to be due. Should any fee be deemed necessary (except payment of the issue fee), however, the Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment, to Deposit Account No. 502596 (47079-0013C2). A duplicate copy of this Statement is enclosed for that purpose.

Respectfully submitted,

Date: 6/27/03



Michael J. Blankstein
Reg. No. 37,097
WMS Gaming Inc.
Chicago, IL 60618
3401 N. California Ave.
(773) 961-1480
Attorney for Applicants

Poker Plus (Bally, 1995)

Poker Plus includes a basic draw poker game and a bonus game triggered by a 4-of-a-kind hand in the basic game. In the bonus game, the five cards making up the 4-of-a-kind hand are shuffled and dealt face down on the screen. The player is instructed to find each card in order as instructed on the screen. Each card found doubles the payout. Find all four cards for maximum win. The bonus game is described in greater detail below.

FIG. 1 shows a 4-of-a-kind hand (e.g., four deuces) that yields a base pay of 125 credits. As soon the DRAW button is pressed, the game advances to the bonus game.

FIG. 2 shows a bonus screen after the five cards making up the 4-of-a-kind hand in FIG. 1 have been shuffled and dealt face down. An on-screen "hot meter" shows the base pay of 125 credits. The player is instructed to find one of the cards (e.g., DEUCE OF CLUBS) in the hand.

FIGS. 3 and 4 show bonus screens after the player has selected one of the cards and the selected card is turned over. In FIG. 3, the player has not found the requested match card, thereby keeping the base pay at 125 credits and terminating the bonus game. In FIG. 4, the player has found the requested match card, thereby doubling the base pay to 250 credits. The requested match card stays face up and the player is instructed to find another card (e.g., DEUCE OF DIAMONDS). This process is repeated until the player does not find the requested match card.

FIG. 5 shows a Help Screen from the game which says it doubles the payout each time the right card is selected.



FIG. 1



FIG. 2

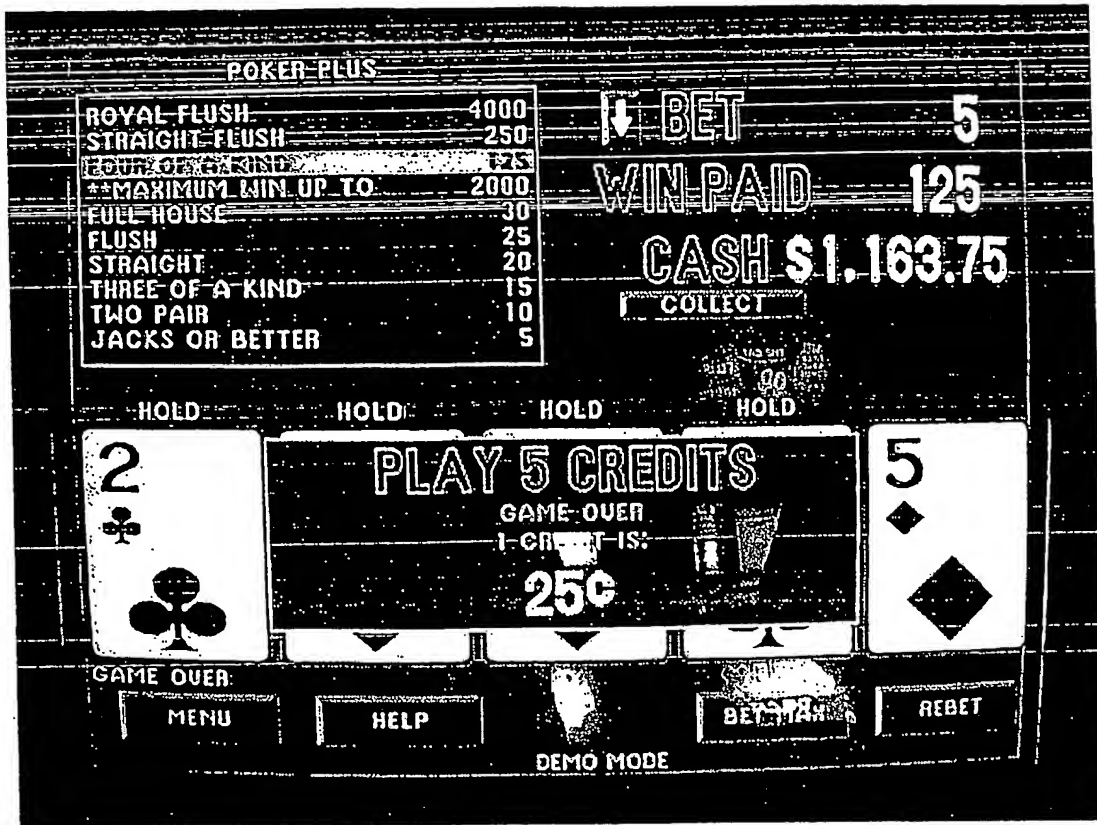


FIG. 3

BEST AVAILABLE COPY

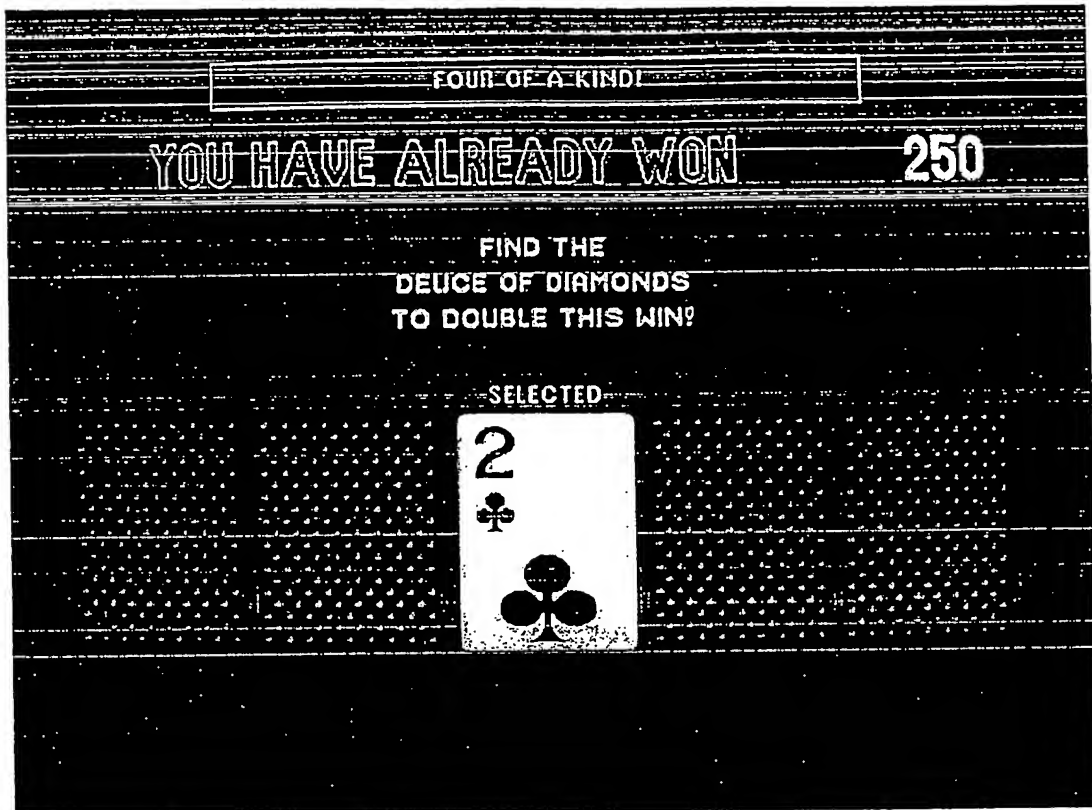


FIG. 4

WMS 002210

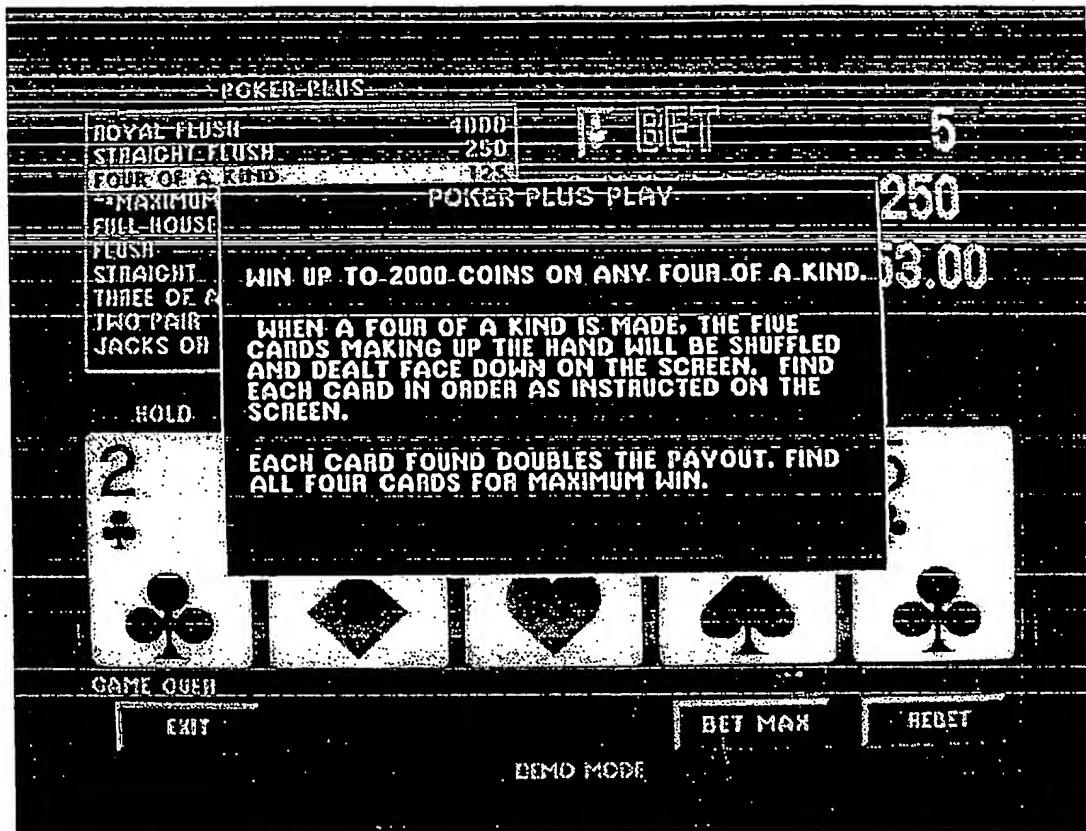
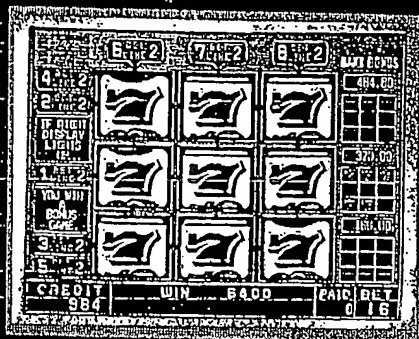


FIG. 5

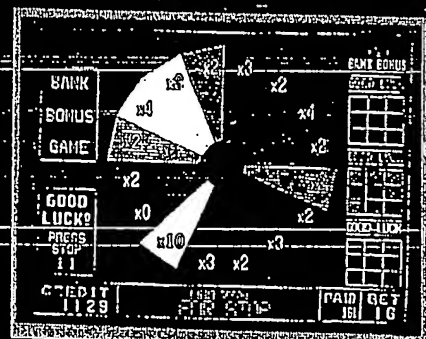
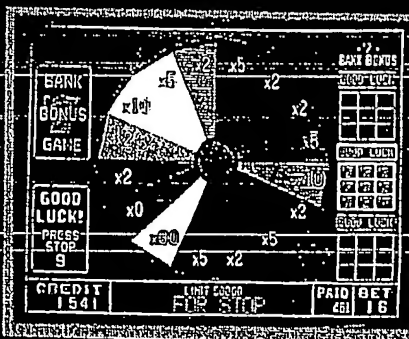
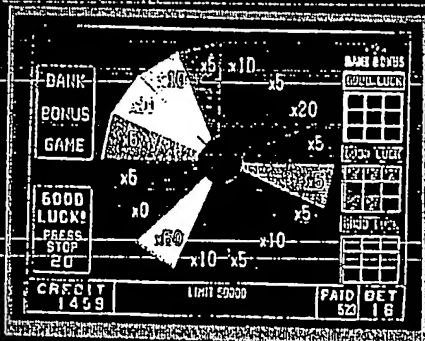
LUCKY BANK

Main Game



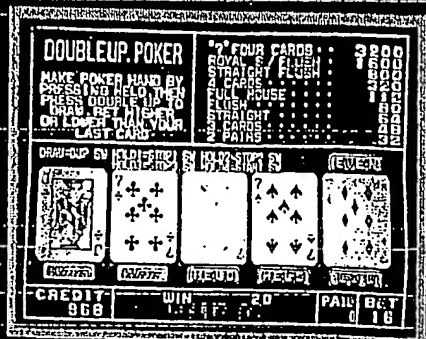
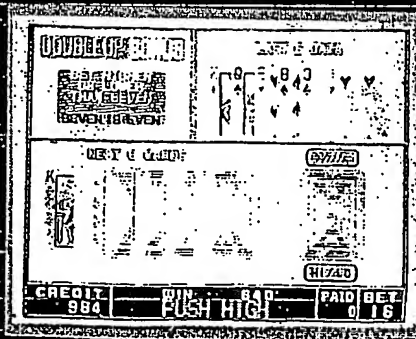
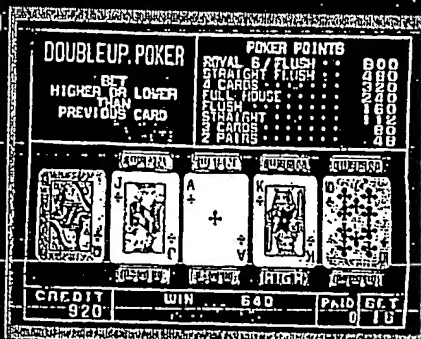
FOR TOTAL BET	NORMAL ODDS
ALL 7 7 7 X 300	7 7 7 X 100
ALL 7 7 7 X 200	7 7 7 X 70
ALL 7 7 7 X 100	7 7 7 X 50
ALL 7 7 7 X 60	7 7 7 X 30
ALL 7 7 7 X 50	7 7 7 X 25
ALL 7 7 7 X 40	7 7 7 X 20
ALL 7 7 7 X 35	7 7 7 X 15
ALL 7 7 7 X 30	7 7 7 X 10
ALL 7 7 7 X 20	7 7 7 X 10
ALL 7 7 7 X 20	7 7 7 X 10
ALL FRUITS X 10	7 7 7 X 5
BONUS GIVE UP	7 7 7 X 2

Lucky Bank Game



Double up game

WMS 002247



3 TYPES OF DOUBLE UP GAMES TO CHOOSE FROM, OPERATOR ADJUSTABLE.